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No. 106

IN THE

Supreme Court of the United States

OCTOBER TERM, 1963.

COMPCO CORPORATION,
Petitioner,

vs.

DAY-BRITE LIGHTING, INC.,
Respondent.

BRIEF FOR PETITIONER

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OPINION BELOW

The findings of fact, conclusions of law and judgment order (R. 297-303) of the District Court of the United States for the Northern District of Illinois were entered without opinion. The opinion of the United States Court of Appeals for the Seventh Circuit (R. 323) is reported at 311 F. 2d 26.

JURISDICTION

This Court's jurisdiction is founded under 28 U.S.C. 1254(1).

CONSTITUTIONAL PROVISIONS AND STATUTES INVOLVED

Article I, Section 8, clause 8, provides:

> "The Congress shall have Power To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries . . ."

Article VI, clause 2, provides, in pertinent part:

> "This Constitution and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding."

The statutes involved include the pertinent sections of the Patent Act of 1952, Title 35 U.S.C.:

> "171. Patents for Designs.
>
> Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this Title.
>
> "The provisions of this Title relating to patents for inventions shall apply to patents for designs, except as otherwise provided.
>
> "154. Contents and term of patent.
>
> Every patent shall contain a short title of the invention and a grant to the patentee, his heirs or assigns, for the term of 17 years, of the right to exclude others from making, using or selling the invention throughout the United States, referring to the specification for the particulars thereof. A copy of

the specification and drawings shall be annexed to the patent and be part thereof.

"173. Term of Design Patent.

Patents for designs may be granted for the term of three years and six months, or for seven years, or for fourteen years, as the applicant, in his application, elects.

"281. A patentee shall have remedy by civil action for infringement of his patent."

Also involved is 28 U.S.C., Section 1338:

"(a) The District Courts shall have original jurisdiction of any civil action arising under any act of Congress relating to patents . . .

"(b) The District Courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent or trademark laws."

QUESTIONS PRESENTED

1. Is the freedom from confusion required by the Illinois law of unfair competition more important than the freedom of competition required by the United States patent and anti-trust laws so as to justify enjoining the selling, in properly marked containers, of the precise light fixtures of an invalid design patent?

2. Whether a longer reinforcing rib which is merely structural and functional, lacking in ornamental distinctiveness, can be raised to the level of a trade symbol under the guise of unfair competition to grant the maker a permanent monopoly?

3. Whether there can be unfair competition in design duplication without first a showing of (a) a second mean-

ing to the purchaser of that specific design, and (b) likelihood of actual purchaser confusion as to the source of the product?

4. Where a manufacturer elects to obtain a design patent on an industrial product and operates with the benefit of the patent although the patent is later invalidated, can the mere copying of the design give rise to a cause of action under the common law of unfair competition without (a) violating the doctrine of federal supremacy which requires that the federal patent and anti-trust laws supersede any conflicting state law, and (b) producing the anomalous situation that the subject matter of an invalid design patent can be freely used by competitors in most of the United States but not in Illinois?

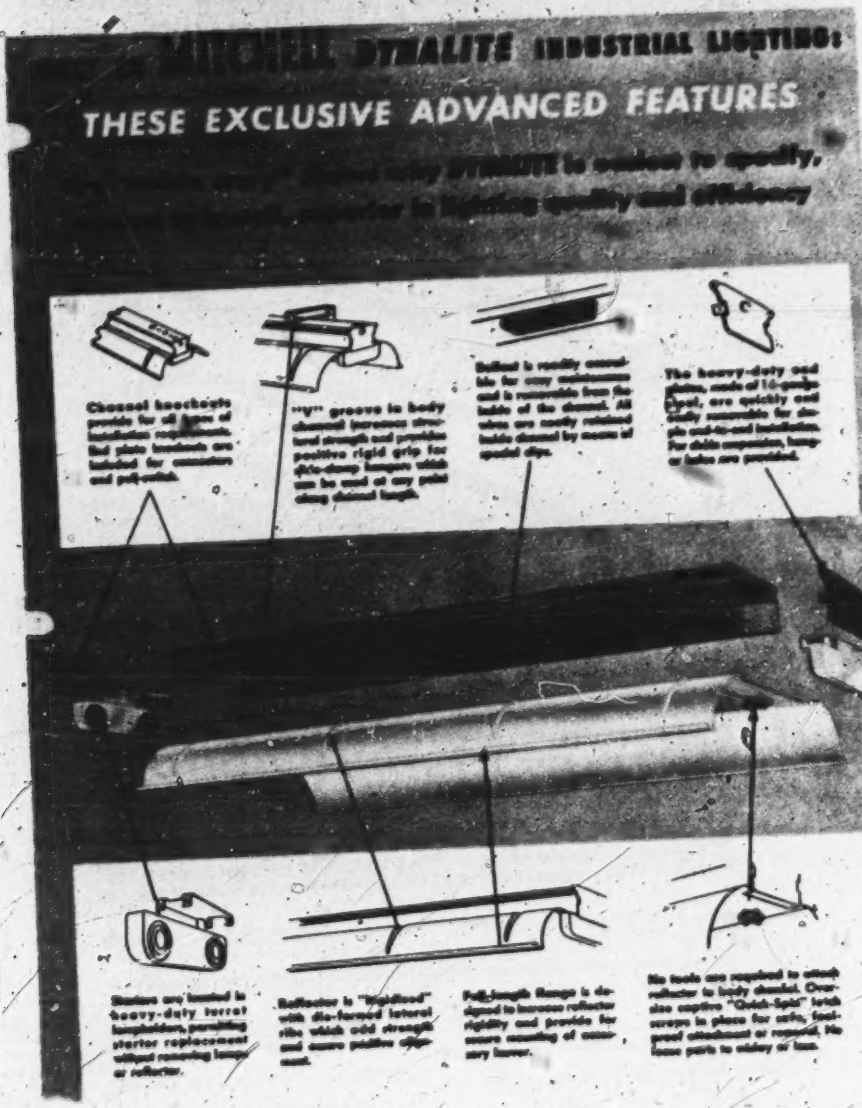
STATEMENT

1. Generally

In July, 1958, respondent Day-Brite Lighting, Inc. sued petitioner Compco Corporation for infringement of design patent 176,367 covering only the *reflector* portion of a fluorescent light fixture. Coupled with the claim of patent infringement was a claim of unfair competition for making and selling the same reflector.

2. The Product Involved

Day-Brite's real complaint is against the sale of fluorescent lighting fixtures by Compco, the reflectors never being sold separate from the complete fixture (R. 204-205). The picture below is of the accused fixture (Pl. Ex. 36, R. 223) — Mitchell being the predecessor of Compco.



The fixtures, including the reflector of the design patent, are intended for ceiling installation and are standardized at lengths of 48", 72" or 96", being made up of a housing, a ballast (transformer), a reflector, and the sockets and wiring for the long lighting tubes. The fixture is sold as a unit, complete for installation. The invalid design patent has to do only with the reflector, which is sandwiched between the housing above and the light tubes below (R. 205). The picture opposite is of the invalid design patent (Pl. Ex. 1; R. 23; 54).

United States Patent Office

Des. 176,367
Patented Dec. 13, 1955

176,367

REFLECTOR FOR TUBULAR LAMP LIGHTING FIXTURES

Carl E. Mayer, St. Louis County, and Lee G. Robillard, Kirkwood, Mo., assignors to Day-Brite Lighting, Inc., St. Louis, Mo., a corporation of Missouri

Application January 17, 1956, Serial No. 34,627
Term of patent 14 years
(Cl. D48—39)

FIG. 1

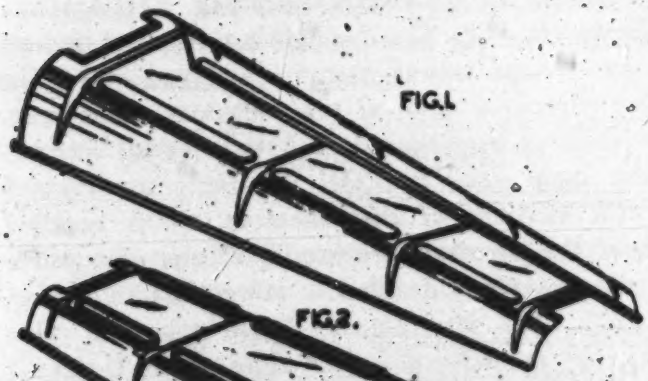


FIG. 2.

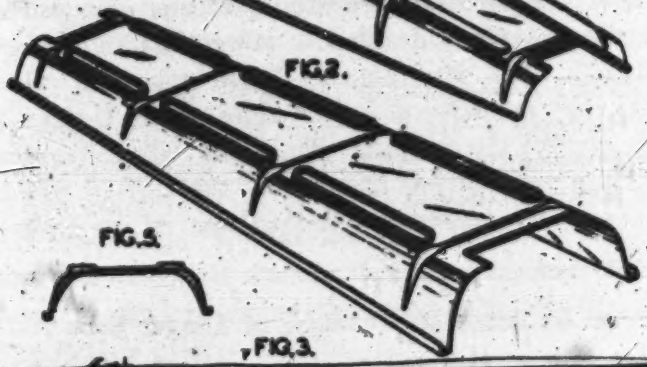


FIG. 5.

FIG. 3.

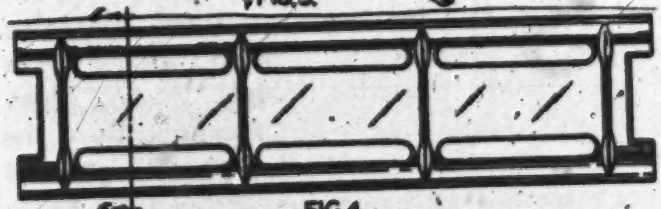


FIG. 4.

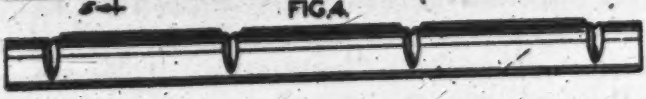


Fig. 1 is a perspective view, as seen from below, of the reflector for tubular lamp lighting fixtures, showing our new design.

Fig. 2 is a perspective view, as seen from the top, of the same.

Fig. 3 is a top plan view of the reflector shown in Fig. 1.

Fig. 4 is a side elevational view of the reflector, and

Fig. 5 is a sectional elevational view of the same as seen along line 5—5 in Fig. 3.

We claim:

The ornamental design for a reflector for tubular lamp lighting fixtures, substantially as shown.

References Cited in the file of this patent

UNITED STATES PATENTS

2,332,770 Abernathy ..... Oct. 26, 1943

3. Product Background

The fluorescent light fixtures involved here are of the "uplight" type. The reflectors have elongated slots so that the light from the tubes can be directed upwardly against the ceiling, as well as downwardly—to eliminate shadows and unlighted areas. This particular type of fixture became popular in the early 1950's and was marketed by a number of companies, including Westinghouse and Day-Brite (R. 83). The "uplighting" type of fixture marketed by various manufacturers employed cross ribs between the elongated slots of the reflectors. The housings were alike in appearance, and the overall fixtures were of the same size. In 1954, Day-Brite experienced difficulty with warpage of the reflectors, which resulted in chipping of the porcelain coating. Customer complaints were received, so it was decided to strengthen the reflector (R. 31-32). This was done by lengthening the cross ribs so that they extended down the sides of the U-shaped reflector to correct the warping. Thus, the *only* difference between Day-Brite's earlier fixture and the CFI-10 which included the design patented reflector, was in the longer ribs (R. 89).

4. Trial Evidence on Function of Longer Ribs

The trial Judge had the background and reasoning behind this change explained in detail. Testimony was given by five technical witnesses, Hodges, Blazey, Kaeppel, Hammer and Gearing, as to the functionality of the rib design (R. 100, 165, 192, 243 & 262). Hodges and Blazey were witnesses retained by Day-Brite, while Kaeppel and Gearing were Day-Brite's employees involved in the original engineering and production. Hammer was Compco's witness. The District Court Judge entered a specific finding to summarize all of this testimony on why the cross ribs were lengthened:

"15. The function of the cross ribs in the reflector is to strengthen and stiffen the reflector against warp and twist, to fix the spacing of the side surfaces in fixed relationship, to minimize distortion and warpage due to the heat of porcelain enameling process and thereby prevent the chipping of the porcelain enamel finish after cooling." (R. 299)

This finding was followed by yet another finding dealing with the precise character of the rib upon which the design patentability was based:

"16. The design of the cross ribs, particularly the size, shape and length, is dictated by the limitations of the manufacturing process." (R. 299)

This was specifically considered and affirmed by the Court of Appeals for the Seventh Circuit (R. 325-326).

Day-Brite recognized the importance of the strengthening character of the ribs by filing a mechanical patent application which used drawings identical to those in the design patent. In an effort to obtain favorable action on the mechanical application, Day-Brite's President presented an affidavit stating that the increased sales of the fixtures resulted from the correction of the faults of Day-Brite's prior art unit:

"(In the Day-Line, there was) an excessive rate of factory rejects attributable to warpage of the reflector unit during burning of the coating and chipping of this coating in the packages . . . (When the ribs were extended, there was increased sales) which to Day-Brite indicated correction of the faults found in the Day-Line units and customer acceptance of the CFI." (Parenthetical words added) (R. 322).

Notwithstanding an extensive prosecution of the mechanical application, it was abandoned after the Examiner's final rejection was affirmed by the Board of Appeals of the Patent Office.

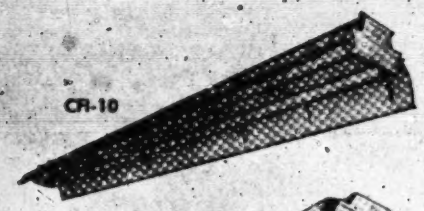
The strengthening character and Day-Brite's reliance on it is seen in its advertisement reproduced opposite (Def. Ex. O-2; R. 44, 234), which the trial court Judge recalled:

> "Mr. Mullin: No. Now we are going into the admissions by the Plaintiff that the ribs are for strengthening purposes or functional. That also we have some marks on that the Court may see the particular pertinent parts.
>
> Mr. Ooms: We have already had testimony on it counsel.
>
> Mr. Mullin: This is Defendants' Exhibit O-2.
>
> The Court: This is the 380 pounder?
>
> Mr. Mullin: Yes." (R. 234)

Here's a rugged test for any reflector. Supported only at the ends, the 8-foot CFI-25 reflector supports the weight of a 658-pound man—no sag, no spread, it remains rigid.

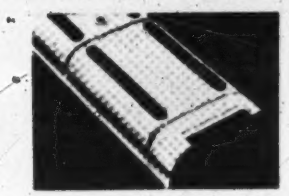
When you buy Industrial Lighting, look for...

STRENGTH!

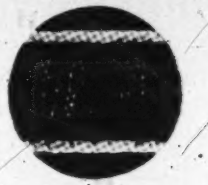


Industrial lighting, besides providing good illumination for a great variety of production seeing tasks, must be constructed for maximum strength. Like presses, lathes and other tools of industry, factory lighting requires ruggedness. CFI* Industrial Fixtures are especially designed to withstand the rigors of factory installation because each component part is engineered for strength and durability. Heavy-duty steel, die-forming, and a lifetime finish of porcelain enamel on each reflector are just a few of the many features which make CFI the best lighting for industrial use everywhere.

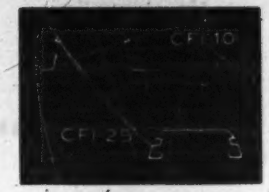
STRENGTH-DESIGNED CFI IS YOUR BEST LIGHTING BUY



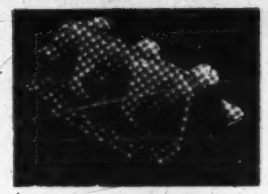
All CFI reflectors are reinforced by die-embossed ribs located between the apertures. Ribs are a Day-Brite *First*, to add lateral stability to prevent the reflector from spreading, help maintain straight fixture edges. Apertures are die-embossed too, for increased reflector rigidity.



Lifetime vitreous porcelain enamel is used as a finish on all CFI reflectors. As shown in the microphoto, rocklike minerals are actually melted and fused to the base metal under extremely high temperature to form a glasslike, snow-white surface with a reflection factor of 85% or more. Porcelain enamel does not decay nor change with age and is unaffected by time, heat, moisture or other harmful elements.



Truslike CFI channel is all steel, die-formed, and features a ribbed top section so that sliding clamp hangers may be positioned anywhere along the run. All units are equipped with CBM Certified ballasts and are individually wired for single unit or continuous installations. Approved by Underwriters' Laboratories. Engineered to deliver a *Lifetime* of service.



CFI-10 sockets like the ones shown above are metal clad, for positive alignment and protection against breakage. Heavy-duty spring-loaded sockets are a feature on all CFI units. Push-pull type sockets assure firm lamp contact for positive lamp operation, firm seating to eliminate possibility of lamp falling out because of vibration.

Don't forget these added CFI features:

- A choice of the CFI-10 or the CFI-25. 10% or 25% Uplighting, according to your needs.
- Full 8-foot one-piece reflectors.
- Sections for 8-foot Slimline lamps, 4-foot Rapid-Start lamps and 8-foot High-Output Rapid-Start lamps.
- A full line of Day-Brite hanging devices including A-J Adjustable or Twin-Stem hangers, the Hydee hanger, messenger cable clamp, ice tong or chain hangers.

* means Comfort For Industry.

5. Activity Prior to the Patent

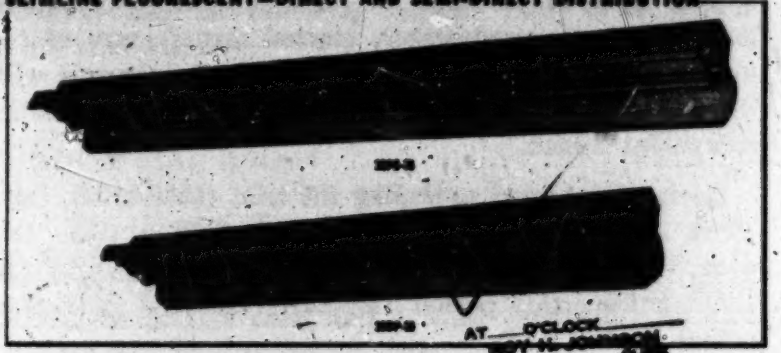
The design patent was invalid in not possessing the requisite ornamentality. The prior art undisclosed to the Patent Office had every element of the reflector design in suit (R. 299). Typical of the prior competitive fixtures is the Westinghouse fixture shown in the advertisement reproduced opposite. (Def. Ex. L; R. 44, 232).

The Court recognized that the Day-Brite reflector was old and not an inventive step forward in the art:

> 7. The DayBrite CFI DayLine reflector, comprising an arcuate reflector with uplight slots and ribs across the top (Def. Exh. 4), the Guth Mazelite reflector with ribs extending down into the sides of the reflector (Plf. Exh. 6), the Guth catalog nos. 44, 44a and sheet no. 889-151 showing the Guth Mazelite and Quick-liter reflectors (Def. Exhs. E, F and G), and the Westinghouse catalog section 61-230, pages 11-14, dated September 1, 1953, and showing Westinghouse fixture type 2 SDP-58 reflector with uplight slots and cross ribs extending across the top of the reflector between adjacent uplight slots (Def. Exh. L), comprise prior art which plaintiff did not disclose to the Patent Office until after the design patent in suit had been issued.
>
> 14. The prior art disclosed reflectors of arcuate cross-section with uplight slots encircled by upstanding flanges, and cross ribs, some extending down into the slides of the reflector. Every element of the reflector design in suit is disclosed in the prior art.
>
> (R. 298, 299)

SPG AND SSP DESIGN • **81-230**

SLIMLINE FLUORESCENT—DIRECT AND SEMI-DIRECT DISTRIBUTION



WESTINGHOUSE SPECIAL FEATURES

- **LENS-LAR BALLAST**—Remove full rated lamp life, eliminate shield about lamp terminals, provided maximum electromagnetic cancellation.
- **ONE PIECE CHANNEL**—Assures rigidity and minimum number of mechanical connections. One channel type for normal or attachment row mounting.
- **EASY INSTALLATION**—Completely wired luminaires are factory-assembled and thus operations made before suspension are added. Provision for variety of mounting methods.
- **HEAVY DUTY LAMPHOLDERS**—Steel enclosed shockless bendings. Push pull principle for easy lamp replacement, removable threaded grommets maintaining high voltage. Lamps locked in by designed spring locked contacts.
- **REMOVABLE REFLECTORS**—Lamps spring locked using leads many ends of each reflector requires only quarter turn to release reflector. No loose parts to handle, and no tools required to install or remove reflector.

INDUSTRIAL SLIMLINE LUMINAIRES are designed to operate 4', 6', and 8' T-12 Slimline lamps at 430 ma and are available in the following types:

TYPE	MOUNTING	LENS FINISH			
		WL	WR	WAFFLE	PRIS
DIRECT DISTRIBUTION					
SEMI-DIRECT DISTRIBUTION					

DAYBRITE VS. COMPCO STUDY

DEPT'S. EXH. L

COMPLETE LUMINAIRE—Consists of a channel assembly and reflector or reflectors. Necessary end plates and connectors must be ordered separately.

CHANNEL ASSEMBLY—One piece, formed steel channel with ballasts and lampholders wired. Design incorporates provisions for several types of mounting. Combinations "A" groove in each side provides shielding permitting accessory of any point along channel length. Ballasts are Lens-Lamp lead-free HAM factory ballasted, [illegible] type. [illegible] equipped with UL Rated.

REFLECTORS—Formed steel with white enamel and reflecting diffusing surface. Reflectors are 4 [illegible] and 8 [illegible] and are plain [illegible] rounded ends. Reflectors are 8 foot lengths are composed of two 4' sections ready with easy assembled and are separated end. Two alignment clips supplied with 8' luminaires to align butt joint of the two sections. Reflectors are easily fitted with provided equivalent arrangement of every 20 ft.

LAMPHOLDERS, SOCKETS—Are lampholders as designated—to be formed from steel to a [illegible]

LAMPS—Not included. Requirements in table.

ACCESSORIES—Hangers and clamps for outlets, suspension, wire support cables, or chain mounting (listed below). 3 and 5 wire feeder cord and plug sets, chain sets, [illegible] and ordering information in Catalog Section SL-230, page 10.

Dept's Ex 60 L

6. Day-Brite's Aggressive Use of the Patent Against Others

The design patent issued December 13, 1955, Day-Brite having been in production of the new fixture for about a year previous to this. Mitchell Manufacturing Company, Compco's predecessor, started manufacture of the longer-ribbed fixture early in 1955 and was charged with infringement on December 31, 1955—just a few days after the patent issued.

During the period preceding the trial (1955-1960), Day-Brite increased in leadership in this field, sharing this with Westinghouse, Sylvania and General Electric (R. 123). During this period Day-Brite enforced its design patent against:

Planned Lighting, Inc., Philadelphia, Pa.
Ender Monarch Corp., Long Island, N. Y.
Harvstone Mfg. Co. Inc., Chicago, Ill.
All Bright Fluorescent Fixtures, Inc., San Francisco, Calif.
Gibson Mfg. Co., Atlanta, Ga.
Wm. Penn Fluorescent Co., Philadelphia, Pa.
Globe Lighting Products, Inc., New York, N. Y.
Ruby Philite Corp., Long Island, N. Y.
Smoot-Holman Company, Inglewood, Calif.

and others subsequent to the filing of this suit (R. 110-112). This was recognized by the trial court as follows:

> "22. Within several years after plaintiff came on the market with its CFI-10 reflectors, a large number of competitors were offering fixtures with reflectors having the overall appearance of plaintiff's CFI-10 reflector design." (R. 301).

7. Unfair Competition Evidence

Purchasers were not confused, there being no *customer testimony* on the question of unfair competition, and very little from the witnesses who were there, as can be appreciated from the following colloquy right at the outset of the trial (R. 52):

> "The Court: I understand the crux of this litigation is the patentability and the prior art of the, you call it what, design?
>
> Mr. Ooms: Design patent.
>
> The Court: How much time would be saved if we tried that issue alone?
>
> Mr. Ooms: I think that is what the primary issue will be in this case, and I think practically all our time will be directed to that.
>
> The Court: All right."

Then, after the trial was over, right after both sides had rested their cases, the trial Judge, with the testimony fresh in mind, engaged in the following conversation (R. 294):

> "The Court: . . . you are touching, also, upon the question of unfair competition.
>
> Mr. Kraus: We have no proof here.
>
> The Court: *I haven't gone into that phase of it.* I haven't heard any arguments on it. I don't know how much unfair competition has been proven or disproven—hardly any, because I do know that there are numerous other companies on the market making it, some in suit, some not in suit, some who have been sued and some who have discontinued it . . ." (emphasis supplied)

The witnesses mainly were employees of the parties. One of Day-Brite's sales engineers said that a distributor asked him to service some defective fixtures in a local plant that had both types of fixtures, and that he found

some defective Compco sockets (R. 66). A consulting industrial designer employed by Day-Brite said that purchasers could be confused (R. 181). On the other hand, Thomas Humphreyville, manager of interior lighting and engineering at Westinghouse, in testifying for Day-Brite, stated that the usual customers could distinguish between the two products (R. 78, 88). Humphreyville had previously testified for Day-Brite in another light fixture case, *Day-Brite Lighting, Inc. v. Sandee Manufacturing Co.*, 286 F. 2d 596 (CA 7, 1961); cert. den. 366 U.S. 963 (1961).

One of the applicants for the patent in suit, in talking about the commercial acceptance of the Day-Brite fixture, stated (R. 120):

> "Well, we felt that we had gained an identity with our product design. We felt that we had lost it in 1958, due to all of the people with similar design reflectors, so that we had dissolution of identity."

The testimony, other than the opinion testimony on whether or not customers would be confused, was unanimous and uncontradicted in that the fixtures were sold to well-informed, discriminating buyers such as contractors and purchasing agents (R. 82, 204). Further, the units sell for upwards of $20 apiece, and orders range from a dozen to hundreds or thousands of units (R. 206). Further, Compco's product was clearly marked, bearing petitioner's identifying red logo (R. 210).

SUMMARY OF ARGUMENT.

The argument is presented in the light of the three aspects of the principal question: (1) anti-trust; (2) design patent; and (3) unfair competition.

The monopoly sought by Day-Brite is on a functional or strengthening feature of the reflector. Historically, the only monopoly available for a structural improvement was a mechanical patent—here such a patent was denied by the Patent Office, the denial being affirmed on appeal to the Board of Appeals. In such a case, the improvement is available to all, and throttling of competition in this improvement is contrary to the basic philosophy of the anti-trust laws.

By electing to obtain a design patent on merely lengthening the ribs, any unfair competition ground for relief was waived, since the precise features which make for design patentability—the uniqueness or ornamentality of design—have to be relied upon in a suit for unfair competition. And when a patent expires, the subject matter (the ornamentation) is available to all—holding otherwise would say that the federal laws are not supreme in an area clearly reserved to the federal government by the Constitution.

The Illinois law of unfair competition, notwithstanding its objective of eliminating confusion, still requires that the thing attempted to be monopolized, point to a single source, *i.e.*, possess "secondary meaning". When this is present, a monopoly is justified since the mark or symbol represents the good will of the maker, the "probability that the old customers will resort to the old store." Here, the strengthening ribs do not even meet the requirements of the Illinois law of unfair competition, since (1) the clear labeling of the products constitutes a superior mark

pointing to different sources; and (2) a large number of manufacturers all make the same product having elongated ribs, so that it was impossible for a customer to use any symbology connected with the longer ribs to think in terms of only a single source.

Disregarding the underlying purpose of the anti-trust laws to promote competition, and further disregarding the rule of federal supremacy which requires giving to the public that which is no longer patented, and still further disregarding the need for clear showing of secondary meaning in a product design, yields a permanent monopoly that affects every segment of the economy:

a. The Judiciary now has to decide whether a structural change has sufficient aesthetic properties to attribute a source identification to the goods rather than comparing the patented article with the prior art.

b. The Bar now, to determine whether liability will result, has to investigate the generally unascertainable marketing practices of a patentee rather than looking to the readily available patent and prior art.

c. A competitor of the patentee cannot now challenge the validity of a patent by marketing the identical structure covered, notwithstanding careful identification so that there is no passing off.

d. The public in general is deprived of competition which tends to drive the price down while maintaining the quality high.

ARGUMENT

I. Anti-Trust Aspect.

This case deals with a court-created monopoly in an *industrial* product, and the question is whether this monopoly is consistent with Federal law. On questions of monopoly, the Federal anti-trust laws are absolutely controlling. Chief Justice Hughes remarked that the Sherman Anti-Trust Act:

> "as a charter of freedom . . . has a generality and adaptability comparable to that found to be desirable in constitutional provisions." *Appalachian Coals, Inc.* v. *United States*, 288 U.S. 344, 359 (1933).

The general objective of the anti-trust laws is the promotion of competition in the open market.[1] The competition fostered by the anti-trust laws "keeps the game honest." Otherwise the public can suffer through the manufacturer's power to raise the price or lower the quality of the monopolized product. *Standard Oil Co.* v. *United States*, 221 U.S. 1, 52 (1910); *Northern Pacific Co.* v. *United States*, 356 U.S. 1, 4 (1958).

The only exception is the constitutionally based patent right, and even this is strictly confined. *United States* v. *Loew's, Inc.*, 371 U.S. 28 (1962).

Patents are justified as exceptions to the all-pervasive inquiry of the anti-trust laws only because the monopolies created thereby are reasonably limited in both time and scope. At the very outset, this policy was established that the grant to the inventor of the exclusive right for a limited time is in consideration of the benefits which the

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[1] *Report of the Attorney-General's National Committee to Study the Anti-Trust Laws*, March 31, 1955, page 1.

public will derive from the invention after the expiration of the term. *Grant, et al* v. *Raymond*, 6 Pet. (U.S.) 218, 241-242 (1832).

Here, a mechanical patent was refused, yet a perpetual monopoly on the precise product was granted. The longer ribs in the product make the reflector stronger—better able to resist warping even when cheaper, lightweight metal is employed.

The only type of monopoly available on such a structural improvement is through a mechanical patent. A mechanical patent justifies the limited life of the twin evils of monopoly, since there has been a meritorious contribution to the mechanical arts.[1] Here, the Patent Office Board of Appeals approved the Primary Examiner's holding that the improvement was not the kind to merit even the limited monopoly.

There is no doubt that Day-Brite itself recognized functional aspect by filing for a mechanical patent, and Day-Brite's advertising emphasized the strengthening features of the longer rib design (see page 11 of this brief).

In the instant case, the approval of Day-Brite's unlimited monopoly will have the effect of driving numerous small competitors out of the business. As such, it is distinctly contrary to the underlying principles of anti-trust

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[1] "The design of the patent laws is to reward those who make some substantial discovery or invention, which adds to our knowledge and makes a step in advance in the useful arts. Such inventors are worthy of all favor. It was never the object of those laws to grant a monopoly for every trifling device, every shadow of a shade of an idea, which would naturally and spontaneously occur to any skilled mechanic or operator in the ordinary progress of manufactures." *Atlantic Works* v. *Brady*, 107 U.S. 192, 199 (1882).

law set forth in *Brown Shoe Co.* v. *United States*, 370 U. S. 294, 344 (1962):

> "It is competition, not competitors, which the Act protects. But we cannot fail to recognize Congress' desire to promote competition through the protection of viable, small, locally owned businesses."

Compco was not one of the leaders in the field, nor were the other companies already driven from the field by Day-Brite's patent leverage when the design patent was still in effect. In fact, none of the small competitors driven out of the business by Day-Brite was a leader in the "Twelfth Biennial Brand Preference Study" (Pl. Ex. 2, R. 39, 125) which was introduced to demonstrate commercial success of the Day-Brite construction.

If Day-Brite is not checked by this Court, there is the danger that all that is needed to buy a monopoly is a large budget for advertising and litigation. The trial court recognized how Day-Brite had "bootstrapped" itself into a dominant position (R. 301):

> "23. . . . plaintiff has introduced no evidence showing that its commercial success was the result of the design in suit rather than of its functional improvements or plaintiff's advertising and marketing efforts."

Further, Day-Brite has no recourse to the doctrine of unfair competition, since this doctrine is based on features opposite to structural features, namely, ornamental, artistic or distinctive features. Where a product is superior because of a functional or structural feature, customers buy it because of that—because it is a better (here, a stronger) product. Thus the motivation for the purchase is not the manufacturer, but the superiority of the product. In this case, therefore, there is no right possessed by the manufacturer on which to sue.

"Unfair competition is not established by proof of similarity of form, dimensions or general appearance alone. Where such similarity consists in constructions common to or characteristic of the articles in question, and especially where it appears to result from an effort to comply with physical requirements essential to commercial success, and not to be designed to misrepresent the origin of such articles, the doctrine of unfair competition cannot be successfully invoked to abridge the freedom of trade competition." *Marvel Co.* v. *Pearl*, 133 Fed. 160, 161-2 (CA 2, 1904); quoted with approval in *West Point Mfg. Co.* v. *Detroit Stamping Co.*, 222 F. 2d 581, 591 (CA 6, 1955).

Here what was used by Compco was the idea of the longer reinforcing rib, not the exact rib itself (R. 208-209).

Because of the evils attendant on monopolies, no industrial product monopolies are tolerated by the antitrust laws except those limited monopolies permitted under the patent laws. Thus, there is no right to a monopoly on a structurally improved product under the common law of unfair competition.

II. Design Patent Aspect

Day-Brite thoroughly enjoyed its patent monopoly and, according to the long-established law, is obliged to turn the patented matter over to the public. Patent enjoyment: three suits were filed on the design patent, and at least six other manufacturers were threatened with suit. Some of these manufacturers, under the threat of suit, discontinued the manufacture, while others changed their construction, going to expensive retooling of dies. All of this competitor oppression was done under the design patent.

During the period the patent was in effect, Day-Brite completely ignored its alleged common law right of unfair competition, relying on the patent to threaten competitors. There was sole reliance on the patent, with distinct benefits to Day-Brite. Once having made its election and having enforced the patent against all these competitors, Day-Brite cannot wipe the slate clean. It cannot ask for relief, under the guise of unfair competition, for an act that would constitute only design patent infringement—now that the patent is finished.

> ". . . Any attempted reservation or continuation in the patentee or those claiming under him of the patent monopoly, after the patent expires, *whatever the legal device employed*, runs counter to the policy and purpose of the patent laws." (Emphasis supplied) *Scott Paper Co.* v. *Marcalus Mfg. Co.*, 326 U.S. 249, 256 (1945).

In the instant case, Compco's predecessor started manufacturing the accused reflectors early in 1955 and for the space of almost a year was unchallenged by respondent Day-Brite. A challenge was only sent after the design patent issued. If unfair competition is to exist, it exists at the very beginning of competitive manufacture and the cause of action must accrue at that time.

If a cause of action for unfair competition did not lie prior to the issuance of the design patent, the patent could not create it. Rather, the issuance of the patent destroyed any claim for unfair competition, since a design patent is granted only for the ornamental, *i.e.*, identifying, nonfunctional features of a product—those identical features which are relied upon in an action for unfair competition. Here, therefore, Day-Brite elected to obtain shorter but surer coverage than that available through the doctrine of unfair competition.

But, disregarding, for the sake of argument, the fact that the structural nature of the improvement absolutely precludes resort to unfair competition law, there is another basis for refusal of the monopoly: failure to rely on the unfair competition cause of action prior to design patent issuance constitutes an absolute waiver of that right.

The decisions of this Court on patents hold that, upon expiration of a patent, the subject matter is free for the public to use. In *Kellogg Co.* v. *National Biscuit Co.*, 305 U.S. 111 (1938), the design patent on the Shredded Weat biscuit was held *invalid*, this Court saying at pp. 119-120:

> "Upon expiration of the patent, the form as well as the name was dedicated to the public . . . The Kellogg Company was free to use the pillow-shaped form, subject only to the obligation to identify its products lest they be mistaken for that of plaintiff."

Here, the product is distinctively packaged and marked, and this was specifically noted by the Court of Appeals below (R. 327):

> "Defendant contends that confusion of purchasers is impossible because those who buy this type of comparatively expensive product (which is always shipped in clearly marked containers) are skilled, experienced and discriminating purchasers." (See also Finding 11, R. 299)

This is all that is required to meet the standard laid down by this court in the *Kellogg* case. Aside from the requirement that a competitive product be marked suitably, the respondent manufacturer has no right left in the product since the expiration of the patent automatically terminates all rights to exclusivity. The language of this Court in 1895 could not be more explicit:

> "It is self-evident that on the expiration of a patent the monopoly created by it ceases to exist and the right to make the thing formerly covered by the patent becomes public property. *It is upon this condition that the patent is granted.* It follows that as matter of course that, on the termination of the patent, there passes to the public the right to make the machine in the form in which it was constructed during the patent." (Emphasis supplied). *Singer Mfg. Co.* v. *June Mfg. Co.*, 163 U.S. 169, 185 (1895).

Later this court went even further in defining the rights accruing to the public upon the expiration of a patent, saying in *Scott Paper Co.* v. *Marcalus Mfg. Co.*, 326 U.S. 249, 256 (1945):

> "By force of the patent laws, not only is the invention of a patent dedicated to the public upon its expiration, but the public thereby is entitled to share in the good will which the patentee has built up in the patented article or product through the enjoyment of his patent monopoly. Here we have held that the patentee may not exclude the public from participating in the good will or secure, to any extent, a continuation of his monopoly by resorting to the *trademark law* . . ."

Day-Brite here grasped for any straw to get a monopoly—first a mechanical patent, then a design patent, and finally unfair competition. In the trial court, Day-Brite limited the evidence to the design patent, the trial judge remarking at the end of the trial:

> "I haven't gone into that phase of it (unfair competition)." (Parenthetical remarks added). (R. 294)

When the design patent failed, Day-Brite shifted ground—saying that the longer, stronger rib had a *trademark* quality and that this was justification for extending the patent monopoly.

What is sought for here is in distinct contradiction of all this well-established federal policy so clearly set forth in the *Scott* case, since the injunction granted is in perpetuity and covers reflectors "identical to or confusingly similar to plaintiff's reflector" (R. 303). Holding the unfair competition law superior to the patent law not only gives a longer monopoly on the particular product in question, but extends this monopoly through a wide range of products *not even contemplated* in the first instance by the monopolist.

This mischief is avoided by holding that the expiration of a patent ends the limited product monopoly and the product goes into the public domain. Since this is a purely federal matter, it is unaffected by any state law of unfair competition. U. S. Constitution, Articles I and VI.

III. Unfair Competition Aspect

From the anti-trust discussion and the patent discussion, it is seen that the principal question presented must be answered in the negative—the state law of unfair competition cannot dominate the federal laws on patent and anti-trust matters, since these are absolute. The instant case was thus a misapplication of the state law of unfair competition—confusing the state law having to do with indicia of source (the essential origin of unfair competition) with product copying, i.e., using the idea of longer ribs for strengthening, everything else being old.

Insofar as unfair competition in product duplication is concerned, the *Kellogg*[8] case is still the law, there being nothing to the contrary in the latest unfair competition case decided by this Court, *Champion Spark Plug Co.* v. *Sanders*, 331 U.S. 125 (1946). The *Champion Spark Plug* case involved use of the technical trademark

[8] 305 U.S. 111 (1938).

"Champion" on the spark plugs reconditioned by another. It was held that the only responsibility on the reconditioner was to bring home to the purchaser that the spark plug was used, as by appropriate stamping.

A prior case on unfair competition, *Hurn* v. *Oursler*, 289 U.S. 238 (1932) held at page 247:

> "It is entirely plain that the holding of the trial court disposing of the claim of infringement on the merits also disposed of the claim of unfair competition in respect of the copyrighted play, since both depended upon the same allegations of wrongful appropriation of certain parts of and conceptions embodied in, petitioners' play."

Thus, this Court has already recognised that the adverse holding on a Federally-created exemption to monopoly is decisive on the common law right based on the same allegations.

The instant case, like the *Kellogg*[4] case, involves the shape of a product, not a technical trademark. The function of a technical trademark and the difference between that and what we have here is summarized in Oppenheim, Cases on Unfair Competition (1948) at page 230:

> "In the case of a technical trademark, the uniqueness or arbitrariness of the mark or device itself constitutes an identifying symbol . . . Unlike the arbitrary name or device in technical mark cases, the features relied upon in the unfair competition suit are identifying symbols only when they have acquired secondary meaning and hence confusion of source must be proved without benefit of a presumption."

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[4] 305 U.S. 111 (1938).

The need for showing secondary meaning was recognised in the *Kellogg* case, defining this heavy duty on the claimant as:

> "It must show that the primary significance of the term in the minds of the consuming public is not the product, but the producer." *Kellogg Co.* v. *National Biscuit Co.*, 305 U.S. 111, 118 (1938).

What Day-Brite has done here is to use the patent monopoly to gain a degree of exclusivity and then attribute this exclusivity to the product design. Then, to make out a colorable case in unfair competition, Day-Brite argued that this design functions in the manner of a "trademark".

The opinion of a court 80 years ago in denying exclusivity to the use of the letter "G" as part of a sewing machine frame after the patent had expired, is particularly apt today, *Wilcox & Gibbs Sewing Machine Co.* v. *The Gibbens Frame*, 17 Fed. 623, 625 (S.D. N.Y., 1883):

> ". . . It is claimed that as the orator's machines are somewhat known by this frame, and other shapes easily distinguishable from this might equally be useful, . . . All the effect which these frames have in representing the machines to be those of orator, appears due to the monopoly enjoyed under the patent; to give the orator the benefit of the effect by calling this frame a trademark, would continue the monopoly indefinitely, when under the law it should cease."

The Illinois cases have not abdicated from the requirement of "secondary meaning". The latest case and the one most referred to as representing a change in approach is *Lady Esther, Ltd.* v. *Lady Esther Corset Shoppe, Inc.*, 317 Ill. App. 451 (1943). There, the trademark "Lady

Esther" was widely known and long used[6], and it was held unfair competition to trade upon this name even though the parties were not in the same business—that "palming off" (impossible because of the absence of direct competition) was not the only basis for relief, but that unfair competition could be found where there was just a likelihood of confusion.

Based upon that holding, the Illinois federal courts have taken the attitude that direct competition (palming off) is not a *sine qua non* for finding unfair competition. From that proper premise, the federal courts have fallen into the error of extending this doctrine to say that confusion is the only thing to be considered. It is one thing to say that direct competition is not essential to the granting of relief, and quite another to say that the consequences of eliminating direct competition are to be ignored.

Properly stated, the Illinois law (which is to be applied here—assuming some residual right not extinguished by the controlling federal law) does not ignore competition, but holds in trademark cases that likelihood of confusion is the test for violation of a protectable right in a trade identity case. This is the modern test for protectable rights in identifying indicia, and applies almost universally today under federal and state law.

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[6] Lady Esther was first used in 1913 and by 1936 the annual advertising budget was over $1,500,000. About its right to sue, based on "secondary meaning", the court said at page 453:

> "The trademark or trade name, Lady Esther, has become and now is a symbol and name for cosmetics, toilet goods and preparations of high quality and excellence, and the trademark or tradename Lady Esther, has become and now is identified with the plaintiff's products, and said designation, Lady Esther, has been, for many years, and now is, known in the City of Chicago, Illinois, and throughout the United States, as belonging to the plaintiff and its predecessors."

However, the Illinois cases do not support the position that product simulation is actionable merely because there is likelihood of confusion, either as to the goods themselves or as to the manufacturer. *Such a doctrine would convert the test for violation of a protectable right into a test for determining the existence of the right itself.*

The fact that likelihood of confusion is not enough is made clear by the comment of the Court of Appeals on the *Lady Esther* case, *Independent Nail and Packing Co. v. Stronghold Screw Products, Inc.*, 205 F. 2d 921, 926 (CA 7; 1953):

> "Of course that Lady Esther case did not turn on the use of similar names alone; it was a case of similar names plus a *secondary meaning* attached to one of them." (Emphasis supplied)

The Illinois law of unfair competition, in fact, poses no conflict with the Federal anti-trust and patent laws. The Illinois state courts, in preventing a corsetier from trading on the good will of a cosmetician,[6] have not said that competition is unimportant, but merely that the common law can deal with wrongdoers who are not direct competitors through the doctrine of "likelihood of confusion." There has been no change in the common law relative to first showing "secondary meaning", irrespective of whether the parties are in competition.

It is to be appreciated that there is no Illinois state court case in point, i.e., a design copying case.[7] Also, there can be no Illinois case strictly in point as to the

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[6] *Lady Esther, Ltd.* v. *Lady Esther Corset Shoppe, Inc.* 317 Ill. App. 451 (1943).

[7] "The Law of Unfair Competition in Illinois, A Study by the Special Sub-committee on Illinois Antitrust Laws of the Chicago Bar Association", University of Illinois Legal Series (1962).

copying of a design when coupled with a patent infringement action, since these are limited to the federal courts.

The Court of Appeals for the Seventh Circuit erred in this case in holding:

> "The capacity of the plaintiff's design to serve the plaintiff in somewhat the manner of a trademark does constitute a 'protectable' right." (R. 328)

This is contrary to the supremacy of federal law as set forth in the *Scott* case.* The court below erred in extending the state law to a point where it would conflict with Federal law. *Sperry* v. *State of Florida*, 371 U.S. 875 (1963).

The Court followed the correct rule in a similar case a year before—also involving one of Day-Brite's lighting fixtures, there the Court of Appeals found the design patent invalid and no secondary meaning attached to the patented device. *Day-Brite Lighting, Inc.* v. *Sandee Mfg. Co.*, 286 F. 2d 596 (CA 7, 1961), cert. den. 366 U.S. 963 (1961). In that case, there was no structural aspect of the design to preclude the finding of secondary meaning.*

The ribs made longer to prevent warping do not make one think of a trademark. Whatever is relied upon to serve as a trademark is essentially a summary of the good will of the manufacturer. Lord Eldon, in *Cruttwell* v. *Lye*, 3 Ves. 335 (1810), defined good will as "the probability that the old customers will resort to the old place." What is offered here is not a *fanciful* trademark reminding old customers to return to the old place, but rather a slightly better product which is sold because of its superior strength.

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*326 U.S. 249, 255 (1945).

*Secondary meaning can only reside in a non-functional feature. Derenberg "Trade-Mark Protection and Unfair Trading" p. 113 (1936).

The fact that the extended strengthening ribs cannot serve as a trademark (an exclusive symbol) is clearly supported by the lower court's finding (R. 301):

> "22. Within several years after plaintiff came on the market with its CFI-10 reflectors, a large number of competitors were offering fixtures with reflectors having the overall appearance of plaintiff's CFI-10 reflector design."

This negatives the existence of secondary meaning since the authorities are unanimous that *exclusivity* is a *sine qua non* for secondary meaning:

> "It (secondary meaning) contemplates that a word or phrase originally, and in that sense primarily, incapable of exclusive appropriation with reference to an article on the market, because geographically or otherwise descriptive, might nevertheless have been used so long and so exclusively by one producer with reference to his article that, in the trade and to that branch of the purchasing public, the word or phrase had come to mean that the article was his product, in other words, had come to be, to them, his trademark." Nims, "Unfair Competition and Trade Marks, page 154-155 (1947).[10]

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[10] Secondary meaning has been defined in Illinois as follows:

> "To acquire a secondary meaning in the minds of the buying public, an article of merchandise, when shown to a prospective customer, must prompt the affirmation, 'This is the article I want because I know its source.'" *Zangerle & Peterson Co.* v. *Venice Furn. Novelty Mfg. Co.*, 133 F. 2d 266, 270 (CA 7, 1943).

This is the same as that embodied in the general law of unfair competition. *Kellogg Co.* v. *National Biscuit Co.*, 305 U.S. 111, 118 (1938).

The *Lady Esther* case found secondary meaning, so there is no Illinois decision stating that secondary meaning with its necessary exclusivity is out and that as a test for the existence of unfair competition we merely look to whether the product design has the "capacity to identify" the maker.

Without a finding of secondary meaning, the holding of unfair competition is unsupported.

Even in the *Kellogg* case, there was no consideration of the product itself as performing the trademark function, this being long understood to be merged in the dedication of the product shape to the public by virtue of the expiration of the patent grant. All that was required on the part of the subsequent user was:

> ". . . not to insure that every purchaser will know it to be the maker, but use every reasonable means to prevent confusion." *Kellogg Co.* v. *National Biscuit Co.*, 305 U.S. 111, 121 (1938).

What the court did say in the *Kellogg* case about functionality is particularly pertinent (p. 122):

> "Moreover, the pillow shape must be used for another reason. The evidence is persuasive that this form is functional—that the cost of the biscuit would be increased and its high quality lessened if some other form were substituted for the pillow shape.
>
> "The Kellogg Company is undoubtedly sharing in the good will of the article known as 'Shredded Wheat'; and thus is sharing in a market which was created by the skill and judgment of plaintiff's predecessor and has been widely extended by vast expenditures in advertising persistently made. But that is not unfair. Sharing in the good will of an article unprotected by patent or trademark is the exercise of a right possessed by all—and in the free exercise of which the consuming public is deeply interested. There is no evidence of passing off or deception on the part of the Kellogg Company; and it has taken every reasonable precaution to prevent confusion or the practice of deception in the sale of its product."

The type of sale here involves hundreds and perhaps thousands of dollars, and is made to skilled purchasers,

purchasing agents, contractors, etc. (R. 82, 206). This effectively eliminates any misunderstanding as to source on the part of purchasers. Such sales are made after demonstrations to the discriminating purchasers (R. 205-206) and the orders are on purchase orders, not the "impulse" type buying associated with unfair competition.

It will be immediately recognized that Day-Brite has attempted to preempt a purely utilitarian feature of the reflector, since the ribs are the longest possible and positioned at every possible place they could, *i.e.*, between each of the the longitudinally-extending slots. To contend that the number and placement of these strengthening ribs is nonfunctional and therefore serves as a trademark, when in fact it maximizes the strength of the reflector, is asking the judiciary to participate in the creation of an illegal monopoly.

Until the advent of this case, all the Circuits have held that the expiration of a design patent throws the construction into the public domain, the interest of the public and free competition being paramount, so that mere duplication alone is not unfair competition. Characteristic of the attitude of the other Circuits[11] is the latest statement

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[11] In *Bliss* v. *Gotham Industries, Inc.*, ... F. 2d ....., 137 U.S.P.Q. 189 (CA 9, 1963), the holding invalid of the design patent on a pitcher (because the design was dictated primarily by the functional or mechanical requirements and ornamental or so-called pleasing aspect was merely a by-product) dictated that the accompanying claim of unfair competition also fail. This case is interesting because, in the absence of diversity, the Court held that the law of the forum was not applicable but turned to the general law of unfair competition as set out in the Seventh Circuit decision of *Day-Brite Lighting, Inc.* v. *Sandee Mfg. Co.*, 286 F. 2d 596 (1961), cert. den. 366 U.S. 963 (1961).

of the Second Circuit in *Hygienic Specialties Co. v. H. T. Saleman, Inc.*, 302 F. 2d 614, 619 (1962):

> "The initial response (intolerability of copying) to the problem has been curbed in deference to the greater public good, apparently on the principle that imitation is the lifeblood of competition." (Parenthetical remarks added)[12].

CONCLUSION

For the reasons stated, it is respectfully requested that that portion of the opinion below affirming the District Court's judgment of unfair competition be reversed.

Respectfully submitted,

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[12] Here the Court said that federal and state law on unfair competition are "not essentially different", so it would follow the "indeterminate general law." Each of the federal, state, and general laws of unfair competition thus argues for reversal here.